

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE, AT ITS SEPTEMBER 22, 2023 MEETING, AND OF THE CITY MANAGER (AS SET FORTH IN THE CITY COMMISSION MEMORANDUM ACCOMPANYING THIS RESOLUTION) AND WAIVING, BY 5/7<sup>TH</sup> VOTE, THE FORMAL COMPETITIVE BIDDING REQUIREMENT IN SECTION 2-367(E) OF THE CITY CODE, FINDING SUCH WAIVER TO BE IN THE BEST INTEREST OF THE CITY, AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A NEW CONCESSION AGREEMENT WITH DECO BIKE, LLC FOR THE IMPLEMENTATION, MANAGEMENT, AND OPERATION OF A SELF-SERVICE BICYCLE SHARING PROGRAM, FOR A TERM OF FIVE (5) YEARS, COMMENCING ON JANUARY 1, 2025 AND EXPIRING ON DECEMBER 31, 2029, BASED UPON THE ESSENTIAL TERMS SET FORTH IN THE TERM SHEET, ATTACHED AS EXHIBIT "1" TO THE CITY COMMISSION MEMORANDUM ACCOMPANYING THIS RESOLUTION; AND FURTHER APPROVING THE TERMS OF THE SPONSORSHIP AGREEMENT BETWEEN DECO BIKE AND CITIBANK, ATTACHED AS EXHIBIT "2" TO THE CITY COMMISSION MEMORANDUM ACCOMPANYING THIS RESOLUTION, AUTHORIZING THE OPERATION OF THE PROGRAM UNDER THE TITLE SPONSORED NAME OF "CITI BIKE".**

**WHEREAS**, on July 16, 2009, the City entered into an agreement with Deco Bike, LLC ("Deco Bike") in response to RFP 44-07/08 for the delivery and operation of a self-service bicycle rental fleet for public use, to be stationed in the public right-of-way (the "Agreement"); and

**WHEREAS**, the Agreement required Deco Bike to implement a program which enabled the public to self-rent bicycles from any number of locations and return them to another location, on a 24-hour, 365-day per year basis (the "Program"); and

**WHEREAS**, it became evident early on that without intervention by the City, either through a contract term modification or additional revenue source, the Program would not achieve a return of capital or modest profit to Deco Bike, or allow the recovery of the City's forgone parking revenues; and

**WHEREAS**, on July 18, 2012, the Mayor and City Commission adopted Resolution No. 2012-27975, approving Amendment No. 1 to the Agreement; said Amendment (1) extending the term of the Agreement through September 30, 2023, an additional ten (10) years; (2) increasing the operational maximum number of bicycles to 1,100 bicycles; (3) approving certain advertising and sponsorships; (4) providing for a revenue sharing provision by increasing the exemption from City revenue share from \$1,000,000 to \$1,500,000 during the first year of the new term, declining at a rate of \$250,000 per year to \$0 in year seven (7) of the revised term; and (5) adding a Windfall Provision, which provided for the opportunity to recover the waived revenue; and

**WHEREAS**, on May 12, 2015, the City and Deco Bike, executed Amendment No. 2 to the Agreement, approving the sponsorship with Citibank to operate under the Program name of "Citi Bike", providing for the sharing of the advertising revenue generated from the Citibank

Sponsorship Agreement, as part of the Bicycle Basket Sponsorship Program, the Kiosk Advertising Program and naming rights; and

**WHEREAS**, on December 11, 2019, the Mayor and City Commission adopted Resolution No. 2019-31105, authorizing the City Manager to negotiate an amendment to the Agreement between the City and Deco Bike for the provision of a docked electric-assisted bicycle sharing pilot program ("Pilot Program"), subject to the City Commission's approval of the final amendment; and

**WHEREAS**, due to the COVID-19 pandemic, bike service was interrupted, and on June 23, 2021, the Mayor and City Commission adopted Resolution No. 2021-31743, approving Amendment No. 3 to the Agreement; said amendment approving the implementation, management and operation of a one-year Pilot Program for the operation of up to 100 docked electric assisted bicycles Citywide within the existing concession areas; and

**WHEREAS**, on May 17, 2023, the Mayor and City Commission adopted Resolution No. 2023-32605, approving Amendment No. 4 to the Agreement; said amendment extending the Agreement on a month-to-month basis, for a period not to exceed fourteen (14) months, or until such time as the City Commission awards a contract pursuant to a new competitive solicitation for the City's Self-Service Bicycle Sharing Program, whichever occurred first; and

**WHEREAS**, at the September 13, 2023 City Commission meeting, Vice-Mayor Richardson sponsored a referral item (C4 P) to the Finance and Economic Resiliency Committee (FERC) to discuss the status of the current Deco Bike Agreement, including contract period, plans for renewal, plans for a solicitation, contract revenues and other related matters; and

**WHEREAS**, at the September 22, 2023 Finance and Economic Resiliency Committee ("Committee") meeting, Deco Bike requested a five (5)-year extension to their Agreement, based on various factors, including the financial success of the Program, benefits to the City, and the value of the Citibank sponsorship; and

**WHEREAS**, the Committee unanimously recommended the five (5)-year extension, which would begin on January 1, 2025, the end of the current extension, and expire on December 31, 2029, and further recommended that the new contract include a minimum guarantee and a public benefit, which would serve to incentivize residents to use the Program; and

**WHEREAS**, based upon the recommendation of the Committee, the City Administration and Deco Bike have negotiated the essential terms of a new five-year agreement, summarized in the proposed Term Sheet, with the financial terms including the addition of a Minimum Guarantee payment and a new public benefit contribution, along with a City contribution, as follows:

- Concession Fees to the City equal to the greater of (1) the Annual Minimum Guarantee payment (MG), in the amount of \$380,000.00; or (2) the annual Percentage of gross sales receipts (PG) payments (paid monthly) received from Deco Bike's operations equal to 12% of the total gross sales receipts under \$3 million and 15% of gross sales receipts equal to or greater than \$3 million for a contract year; and
- In addition to the membership plans offered under the current Agreement, Deco Bike has agreed to provide three (3) 30-minute free rides per month for Miami Beach residents who are not Citi Bike members, or one (1) free month for every twelve

months of membership for established customers of the Program (“Monthly Incentive Program”) in order to incentivize use of bicycles as a transportation alternative. Deco Bike will cover the cost of the Monthly Incentive Program up to the total amount of \$35,000.00 and the City will cover the cost exceeding \$35,000.00; and

**WHEREAS**, under the proposed Term Sheet, Deco Bike will continue to provide the membership plans offered under the current Agreement: a membership option for residents of \$20.00 per month, which provides for unlimited 30-minute rentals, with a three-month minimum commitment, to ensure the benefit flows to the residents, instead of tourists; a deluxe monthly plan that provides unlimited one-hour rentals for an extra \$5.00 per month; and an employee rental plan at \$99.00 annually, with unlimited 30-minute trips; and

**WHEREAS**, the Program under the new agreements shall continue to operate initially with 1,100 bicycles, of which 100 will be electric-assisted bicycles (“e-bikes”); however, the City Manager will have the authority to increase the number of e-bikes to a number that is up to 200, thereby increasing the total number of bicycles in the fleet to a number that is up to 1,200; and

**WHEREAS**, Deco Bike has demonstrated to be a good partner to the City by providing a reliable bicycle service which has been used for leisure, exercise and the transportation needs of the community; and

**WHEREAS**, in FY 2012, the Agreement provided revenues to the City of \$279,457.00; in FY 2022, revenues rose to \$687,061.00, including advertising revenues from the Citibank sponsorship payments; and for FY 2023, revenues to the City were approximately \$700,000.00 through a combination of Concession and sponsorship fees; and

**WHEREAS**, the new agreement is anticipated to generate a similar revenue stream on an annual basis; and

**WHEREAS**, Deco Bike’s ability to secure the Citibank sponsorship has served to make the Program profitable, without the need for the City to subsidize the Program, as is typical of these bicycle sharing programs in out-of-state municipalities; and

**WHEREAS**, based upon the longstanding and satisfactory performance record of Deco Bike, including their ability to generate revenues for the City, the City Manager recommends accepting the recommendation of the Committee, at its September 22, 2023 meeting, and waiving, by 5/7<sup>th</sup> vote, the formal competitive bidding requirement in Section 2-367(e) of the City Code, finding such waiver to be in the best interest of the City, and authorizing the City Manager to negotiate and execute a new Concession Agreement with Deco Bike, LLC, for the implementation, management, and operation of the Program, for a term of five (5) years, commencing on January 1, 2025 and expiring on December 31, 2029, based upon the essential terms set forth in the Term Sheet, attached as Exhibit “1” to the City Commission Memorandum accompanying this Resolution; and further approving the terms of the Sponsorship Agreement between Deco Bike and Citibank, attached as Exhibit “2” to the City Commission Memorandum accompanying this Resolution, authorizing the operation of the Program under the title sponsored name of “Citi Bike”.

**NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, that the Mayor and City Commission hereby accept the recommendation of the Finance and Economic Resiliency

Committee, at its September 22, 2023 meeting, and of the City Manager (as set forth in the City Commission Memorandum accompanying this Resolution) and waive, by 5/7<sup>th</sup> vote, the formal competitive bidding requirement in Section 2-367(e) of the City Code, finding such waiver to be in the best interest of the City, and authorize the City Manager to negotiate and execute a new Concession Agreement with Deco Bike, LLC for the implementation, management, and operation of a Self-Service Bicycle Sharing Program, for a term of five (5) years, commencing on January 1, 2025 and expiring on December 31, 2029, based upon the essential terms set forth in the Term Sheet attached as Exhibit "1" to the City Commission Memorandum accompanying this Resolution; and further approve the terms of the Sponsorship Agreement between Deco Bike and Citibank, attached as Exhibit "2" to the City Commission Memorandum accompanying this Resolution, authorizing the operation of the Program under the title sponsored name of "Citi Bike".

**PASSED** and **ADOPTED** this \_\_\_\_ day of \_\_\_\_\_ 2023.

**ATTEST:**

\_\_\_\_\_  
Dan Gelber, Mayor

\_\_\_\_\_  
Rafael E. Granado, City Clerk

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

  
\_\_\_\_\_  
City Attorney

10-10-23  
Date